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EMBASSY OF THE
UNITED STATES OF AMERICA
Tel Aviv, Israel

(235)
rec 8/10/71
(49)

August 6, 1971

DEPARTMENT OF STATE A/ODO/MR
REVIEWED BY Lynn Kelley DATE 1/24/83
RDS or XD EXT. DATE
TS AUTH. REASON(S)
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Mr. Alfred L. Atherton
Deputy Assistant Secretary
Bureau of Near Eastern and
South Asian Affairs
Department of State
Washington, D.C.

Dear Roy:

The Israelis have now decided to try to move ahead for a final solution on the Liberty claims. They have given us a draft note which they would like to have informally considered within the U.S. Government. If we are able to indicate to them that our reply to such a note would be affirmative, they will then present it to us formally. We understand that the note had been given final clearance within the GOI, but they do not wish it a matter of record until assured that it will be acceptable to us.

In essence the note reiterates the acceptance of liability and expression of regret by the GOI, refers to the full payment of claims for deaths and injuries, and asks the U.S. to accept a payment of $100,000 for the damage to the ship itself.

I am thoroughly convinced that acceptance of this Israeli offer would be in the best interests of the United States. If we continue to press them for a more substantial payment, we will only drag out the matter. I believe that this question requires a rapid and unequivocal decision at a political level in the government and would appreciate your taking it up in the way best calculated to produce agreement without bureaucratic wrangling. One way might be to ask Alex Johnson, when the

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Department's own concurrence has been obtained, to discuss the Israeli proposal at a high level in the Defense Department to gain their agreement and to leave it to DOD to satisfy the Navy that this solution is in the best overall interests of the United States.

Please let me know how this comes out.

With all best wishes,

Sincerely yours,

Walworth Barbour

Draft Note

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The Ministry for Foreign Affairs presents its compliments to the Embassy of the United States of America and, referring to the Embassy's Note No. 74 of 1 July 1968 has the honour to respond as follows:

Following the attack by Israel aircraft and torpedo boats on 8 June 1967 on the USS Liberty the Government of Israel, as soon as it became aware of the tragic error, informed the United States Government of what had taken place, assumed responsibility for this error and conveyed its deep regret and apologies for what had occurred and for the grievous loss of life. The Government of Israel also at once took the initiative to offer to make amends for the tragic loss of life and the material damage.

In May 1968, the Government of Israel paid in full claims submitted by the United States Government, amounting to US $ 3,323,500 to compensate those suffering loss as a result of the deaths of members of the ship's company.

In April 1969, the Government of Israel paid the additional amount of US $3.566.457 in full and final settlement of claims submitted by the United States Government on behalf of the injured, as well as in settlement of claims in respect of medical treatment and destruction of personal property.

Prior to these payments it had been agreed that, to facilitate a mutually acceptable settlement, [illegible] United States Government claim for losses sustained by it as a result of damage to the vessel would be discussed when all remaining United States claims were ready.

The Government of Israel in no way wishes to shirk its responsibility in this matter. Taking into account the fact that the Government of Israel has, to the complete satisfaction of the United States Government, made compensation in full regarding the personal claims relating to loss of life and injuries, the Government of Israel suggests that the United States Government agree to accept in settlement of the still outstanding material claim a payment of US $ 100,000 in token of the Government of Israel's recognition of its liability in the matter.

The Government of Israel hopes that the United States Government will be agreeable to such a settlement so that this tragic chapter may be closed.